

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Pennsylvania

MORE LIBERAL METHODS OF TREATING INCOME
UNDER SECTION 1902(r)(2) OF THE ACT*

☐ Section 1902(f) State

☒ Non-Section 1902(f) State

(A) AFDC-related

- (1) Lump Sum - For AFDC-related categorically needy nonmoney payment and medically needy only applicants/recipients, the receipt of a lump sum, which is normally treated as a resource, will be treated as income in accordance with the AFDC cash assistance rule when it would be more beneficial to the applicant/recipient to treat the lump sum as income rather than a resource.
- (2) Work Expense Deduction - AFDC-related cases with earned income are entitled to a work expense deduction of actual and verified monthly work expenses or \$75, whichever is greater.

NOTE: This work expense deduction was increased from \$75 to \$90 per month for the AFDC cash assistance program effective October 1, 1989 based on the Family Support Act, Pub. L. 100-485. Therefore, the minimum work expense deduction for AFDC-related cases was increased accordingly effective October 1, 1989.

- (3) Self-Employment Deduction - AFDC-related medically needy only applicants/recipients with self-employment income are given a deduction for depreciation, personal business and entertainment expenses, personal transportation, purchase of capital equipment, and payments on the principal of loans for capital assets or durable goods.
- (4) Deduction of Recurring Medical Expenses - AFDC-related medically needy only applicants/recipients are permitted to project verified recurring and predictable medical expenses for the 6-month eligibility period.

* More liberal methods may not result in exceeding gross income limitations under section 1903(f).

TN No. 91-33

Supersedes

TN No. 88-05

Approval Date 9/10/1991

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(A) AFDC-related (Continued)

- (5) Exclusion of Income From Providing Care in an Approved Family Day Care Home - For AFDC-related categorically needy nonmoney payment and medically needy only applicants and recipients, the income received from providing child day care for children in an approved family day care home is excluded.
- (6) Work Incentive Deduction - For AFDC-related categorically needy nonmoney payment and medically needy only applicants and recipients, each employed person may qualify for the work incentive deduction if the employed person has been receiving medical assistance (MA) or cash assistance within four months before the calendar month of application for MA.
- (7) \$30 Plus 1/3 Work Incentive Deduction - For AFDC-related medically needy only applicants and recipients, there is no time limit for receipt of the \$30 plus 1/3 of the remainder work incentive deduction.
- (8) Work-Related Dependent Care Deduction - For AFDC-related medically needy only applicants and recipients, the actual work-related cost of care of dependent children or a sick or disabled adult living in the home of the applicant/recipient is allowed if care cannot be provided by other family members, and if no other sound plan can be made for their care.

- More liberal methods may not result in exceeding gross income limitations under section 1903(f).

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(B) Aged, Blind, and Disabled (SSI-Related)

- (1) Support and Maintenance In-kind - For SSI-related categorically needy nonmoney payment and medically needy only applicants/recipients, support and maintenance in-kind is not counted as income.
- (2) Deduction of Recurring Medical Expenses - SSI-related medically needy only applicants/recipients are permitted to project verified recurring and predictable medical expenses for the 6-month eligibility period.

* More liberal methods may not result in exceeding gross income limitations under section 1903(f).

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SUPPLEMENT 8a to ATTACHMENT 2.6-A
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For Qualified Medicare Beneficiaries described at §1905(p) and §1902(m)
of the Act who do not receive Title II Income.

1. Disregard from income any increase attributable to the Cost of Living Adjustment (COLA) from January 1 through the last day of the month following the month of the publication of the revised annual Federal Poverty Level.

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